

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 19-0339.01 Thomas Morris x4218

HOUSE BILL 19-1261

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A BILL FOR AN ACT

101 **CONCERNING THE REDUCTION OF GREENHOUSE GAS POLLUTION, AND,**
102 **IN CONNECTION THEREWITH, ESTABLISHING STATEWIDE**
103 **GREENHOUSE GAS POLLUTION REDUCTION GOALS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Section 1 of the bill states that Colorado shall have statewide goals to reduce 2025 greenhouse gas emissions by at least 26%, 2030 greenhouse gas emissions by at least 50%, and 2050 greenhouse gas emissions by at least 90% of the levels of greenhouse gas emissions that existed in 2005.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Section 3 specifies considerations that the air quality control commission is to take into account in implementing policies and promulgating rules to reduce greenhouse gas pollution, including the benefits of compliance and the equitable distribution of those benefits, the costs of compliance, opportunities to incentivize clean energy in transitioning communities, and the potential to enhance the resilience of Colorado's communities and natural resources to climate impacts. The commission will consult with the public utilities commission with regard to rules that affect the providers of retail electricity in Colorado.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 25-7-102 as
3 follows:

4 **25-7-102. Legislative declaration.** (1) In order to foster the
5 health, welfare, convenience, and comfort of the inhabitants of the state
6 of Colorado and to facilitate the enjoyment and use of the scenic and
7 natural resources of the state, it is declared to be the policy of this state to
8 achieve the maximum practical degree of air purity in every portion of the
9 state, to attain and maintain the national ambient air quality standards, and
10 to prevent the significant deterioration of air quality in those portions of
11 the state where the air quality is better than the national ambient air
12 quality standards. To that end, it is the purpose of this ~~article~~ ARTICLE 7
13 to require the use of all available practical methods which are
14 technologically feasible and economically reasonable so as to reduce,
15 prevent, and control air pollution throughout the state of Colorado; to
16 require the development of an air quality control program in which the
17 benefits of the air pollution control measures utilized bear a reasonable
18 relationship to the economic, environmental, and energy impacts and
19 other costs of such measures; and to maintain a cooperative program
20 between the state and local units of government. It is further declared that

1 the prevention, abatement, and control of air pollution in each portion of
2 the state are matters of statewide concern and are affected with a public
3 interest and that the provisions of this ~~article~~ ARTICLE 7 are enacted in the
4 exercise of the police powers of this state for the purpose of protecting
5 the health, peace, safety, and general welfare of the people of this state.
6 The general assembly further recognizes that a current and accurate
7 inventory of actual emissions of air pollutants from all sources is essential
8 for the proper identification and designation of attainment and
9 nonattainment areas, the determination of the most cost-effective
10 regulatory strategy to reduce pollution, the targeting of regulatory efforts
11 to achieve the greatest health and environmental benefits, and the
12 achievement of a federally approved clean air program. In order to
13 achieve the most accurate inventory of air pollution sources possible, this
14 ~~article~~ ARTICLE 7 specifically provides incentives to achieve the most
15 accurate and complete inventory possible and to provide for the most
16 accurate enforcement program achievable based upon that inventory.

17 (2) IT IS FURTHER DECLARED THAT:

18 (a) CLIMATE CHANGE ADVERSELY AFFECTS COLORADO'S
19 ECONOMY, AIR QUALITY AND PUBLIC HEALTH, ECOSYSTEMS, NATURAL
20 RESOURCES, AND QUALITY OF LIFE;

21 (b) COLORADO IS ALREADY EXPERIENCING HARMFUL CLIMATE
22 IMPACTS, INCLUDING DECLINING SNOWPACK, PROLONGED DROUGHT, MORE
23 EXTREME HEAT, ELEVATED WILDFIRE RISK AND RISK TO FIRST
24 RESPONDERS, WIDESPREAD BEETLE INFESTATION DECIMATING FORESTS,
25 INCREASED RISK OF VECTOR-BORNE DISEASES, MORE FREQUENT AND
26 SEVERE FLOODING, MORE SEVERE GROUND-LEVEL OZONE POLLUTION
27 CAUSING RESPIRATORY DAMAGE AND LOSS OF LIFE, DECREASED ECONOMIC

1 ACTIVITY FROM OUTDOOR RECREATION AND AGRICULTURE, AND
2 DIMINISHED QUALITY OF LIFE. MANY OF THESE IMPACTS
3 DISPROPORTIONATELY AFFECT RURAL COMMUNITIES, COMMUNITIES OF
4 COLOR, YOUTH AND THE ELDERLY, AND WORKING FAMILIES. REDUCING
5 STATEWIDE GREENHOUSE GAS POLLUTION AS OUTLINED IN THIS
6 SUBSECTION (2) WILL PROTECT THESE FRONTLINE COMMUNITIES, FIRST
7 RESPONDERS, AND ALL COLORADO RESIDENTS FROM THESE AND OTHER
8 CLIMATE IMPACTS.

9 (c) WE MUST WORK TOGETHER TO REDUCE STATEWIDE
10 GREENHOUSE GAS POLLUTION IN ORDER TO LIMIT THE INCREASE IN THE
11 GLOBAL AVERAGE TEMPERATURE TO ONE AND ONE-HALF DEGREES
12 CELSIUS, WHICH SCIENTISTS AGREE WOULD PROVIDE A MORE STABLE AND
13 HOSPITABLE CLIMATE FOR CURRENT AND FUTURE GENERATIONS AND
14 MITIGATE THE RISK OF CATASTROPHIC CLIMATE IMPACTS IN COLORADO;

15 (d) BY REDUCING GREENHOUSE GAS POLLUTION, COLORADO WILL
16 ALSO REDUCE OTHER HARMFUL AIR POLLUTANTS WHICH WILL, IN TURN,
17 IMPROVE PUBLIC HEALTH, REDUCE HEALTH CARE COSTS, IMPROVE AIR
18 QUALITY, AND HELP SUSTAIN THE ENVIRONMENT;

19 (e) REDUCING GREENHOUSE GAS POLLUTION WILL CREATE NEW
20 MARKETS, SPUR INNOVATION, DRIVE INVESTMENTS IN LOW-CARBON
21 TECHNOLOGIES, AND PUT COLORADO SQUARELY ON THE PATH TO A
22 MODERN, RESILIENT, ONE-HUNDRED-PERCENT CLEAN ECONOMY. DELAY
23 IN PURSUING AND SECURING GREENHOUSE GAS REDUCTIONS AS OUTLINED
24 IN THIS SUBSECTION (2) WILL PREVENT COLORADO COMMUNITIES FROM
25 CAPTURING THE BENEFITS OF THESE NEW JOBS AND MARKETS, IN ADDITION
26 TO EXACERBATING THE CLIMATE IMPACTS THAT HARM COLORADANS. THE
27 CLEAN ENERGY ECONOMY IS ALREADY BRINGING TENS OF THOUSANDS OF

1 JOBS AND BILLIONS OF DOLLARS IN DIRECT INVESTMENT TO COUNTIES
2 ACROSS THE STATE, BENEFITTING WORKERS, FAMILIES, AND COMMUNITIES.
3 COLORADO CAN CONTINUE TO FACILITATE SUCH A TRANSITION TO A CLEAN
4 ENERGY ECONOMY.

5 (f) BY EXERCISING A LEADERSHIP ROLE, COLORADO WILL ALSO
6 POSITION ITS ECONOMY, TECHNOLOGY CENTERS, FINANCIAL INSTITUTIONS,
7 AND BUSINESSES TO BENEFIT FROM NATIONAL AND INTERNATIONAL
8 EFFORTS TO REDUCE GREENHOUSE GASES;

9 (g) ACCORDINGLY, COLORADO SHALL STRIVE TO INCREASE
10 RENEWABLE ENERGY GENERATION AND ELIMINATE STATEWIDE
11 GREENHOUSE GAS POLLUTION BY THE MIDDLE OF THE TWENTY-FIRST
12 CENTURY AND HAVE GOALS OF ACHIEVING, AT A MINIMUM, A
13 TWENTY-SIX-PERCENT REDUCTION IN STATEWIDE GREENHOUSE GAS
14 POLLUTION BY 2025, A FIFTY-PERCENT REDUCTION IN STATEWIDE
15 GREENHOUSE GAS POLLUTION BY 2030, AND A NINETY-PERCENT
16 REDUCTION IN STATEWIDE GREENHOUSE GAS POLLUTION BY 2050. THE
17 REDUCTIONS IDENTIFIED IN THIS SUBSECTION (2)(g) ARE MEASURED
18 RELATIVE TO 2005 STATEWIDE GREENHOUSE GAS POLLUTION LEVELS.

19 **SECTION 2.** In Colorado Revised Statutes, 25-7-103, **amend** the
20 introductory portion; and **add** (22.5) as follows:

21 **25-7-103. Definitions.** As used in this ~~article~~ ARTICLE 7, unless
22 the context otherwise requires:

23 (22.5) "STATEWIDE GREENHOUSE GAS POLLUTION" MEANS THE
24 TOTAL NET STATEWIDE ANTHROPOGENIC EMISSIONS OF CARBON DIOXIDE,
25 METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS,
26 PERFLUOROCARBONS, NITROGEN TRIFLUORIDE, AND SULFUR
27 HEXAFLUORIDE, EXPRESSED AS CARBON DIOXIDE EQUIVALENT.

1 **SECTION 3.** In Colorado Revised Statutes, 25-7-105, **amend** (1)
2 introductory portion; and **add** (1)(e) as follows:

3 **25-7-105. Duties of commission - rules - legislative declaration**

4 **- definitions.** (1) Except as provided in sections 25-7-130 and 25-7-131,
5 the commission shall promulgate such rules and regulations as are
6 consistent with the legislative declaration set forth in section 25-7-102
7 and necessary for the proper implementation and administration of this
8 ~~article~~ ARTICLE 7, including, but not limited to:

9 (e) (I) STATEWIDE GREENHOUSE GAS POLLUTION ABATEMENT.

10 (II) CONSISTENT WITH SECTION 25-7-102 (2)(g), THE COMMISSION

11 SHALL TIMELY PROMULGATE IMPLEMENTING RULES AND REGULATIONS.
12 THE IMPLEMENTING RULES MAY TAKE INTO ACCOUNT OTHER RELEVANT
13 LAWS AND RULES, AS WELL AS VOLUNTARY ACTIONS TAKEN BY LOCAL
14 COMMUNITIES AND THE PRIVATE SECTOR, TO ENHANCE EFFICIENCY AND
15 COST-EFFECTIVENESS, AND SHALL BE REVISED AS NECESSARY OVER TIME
16 TO ENSURE TIMELY PROGRESS TOWARD THE 2025, 2030, AND 2050 GOALS.

17 THE IMPLEMENTING RULES SHALL PROVIDE FOR ONGOING TRACKING OF
18 EMISSION SOURCES THAT ADVERSELY AFFECT DISPROPORTIONATELY
19 IMPACTED COMMUNITIES AND ARE SUBJECT TO RULES IMPLEMENTED
20 PURSUANT TO THIS SUBSECTION (1)(e) AND MUST INCLUDE STRATEGIES
21 DESIGNED TO ACHIEVE REDUCTIONS IN HARMFUL AIR POLLUTION
22 AFFECTING THOSE COMMUNITIES.

23 (III) THE DIVISION, AT THE DIRECTION OF THE COMMISSION, SHALL
24 SOLICIT INPUT FROM OTHER STATE AGENCIES, STAKEHOLDERS, AND THE
25 PUBLIC ON THE ADVANTAGES OF DIFFERENT STATEWIDE GREENHOUSE GAS
26 POLLUTION MITIGATION MEASURES, SPECIFICALLY SOLICITING INPUT FROM
27 THOSE MOST IMPACTED BY CLIMATE CHANGE AND FROM WORKERS AND

1 COMMUNITIES THAT ARE CURRENTLY ECONOMICALLY DEPENDENT ON
2 INDUSTRIES WITH HIGH LEVELS OF GREENHOUSE GAS EMISSIONS.

3 (IV) THE IMPLEMENTING RULES AND POLICIES MAY INCLUDE, IN
4 ADDITION TO RENEWABLE ENERGY DEVELOPMENT STRATEGIES,
5 REGULATORY STRATEGIES THAT HAVE BEEN DEPLOYED BY ANOTHER
6 JURISDICTION TO REDUCE MULTI-SECTOR GREENHOUSE GAS EMISSIONS,
7 THAT FACILITATE ADOPTION OF TECHNOLOGIES THAT HAVE ZERO
8 EMISSIONS, AND THAT ENHANCE COST-EFFECTIVENESS, COMPLIANCE
9 FLEXIBILITY, AND TRANSPARENCY AROUND COMPLIANCE COSTS, AMONG
10 OTHER REGULATORY STRATEGIES. THE COMMISSION MAY COORDINATE
11 WITH OTHER JURISDICTIONS IN SECURING EMISSION REDUCTIONS,
12 INCLUDING IN SATISFYING FUTURE FEDERAL REGULATIONS. THE
13 COMMISSION MAY ACCOUNT FOR REDUCTIONS IN NET GREENHOUSE GAS
14 EMISSIONS THAT OCCUR UNDER COORDINATED JURISDICTIONS' PROGRAMS
15 IF THE COMMISSION FINDS THAT THE IMPLEMENTING REGULATIONS OF
16 EACH COORDINATED JURISDICTION ARE OF SUFFICIENT RIGOR TO ENSURE
17 THE INTEGRITY OF THE REDUCTIONS IN GREENHOUSE GAS EMISSIONS TO
18 THE ATMOSPHERE AND MAY ACCOUNT FOR CARBON DIOXIDE THAT
19 ELECTRICITY CONSUMPTION IN THIS STATE CAUSES TO BE EMITTED
20 ELSEWHERE.

21 (V) IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS
22 SUBSECTION (1)(e), THE COMMISSION SHALL CONSIDER: THE BENEFITS OF
23 COMPLIANCE, INCLUDING HEALTH, ENVIRONMENTAL, AND AIR QUALITY;
24 THE COSTS OF COMPLIANCE; THE TIME NECESSARY FOR COMPLIANCE; THE
25 RELATIVE CONTRIBUTION OF EACH SOURCE OR SOURCE CATEGORY TO
26 STATEWIDE GREENHOUSE GAS POLLUTION BASED ON CURRENT DATA
27 UPDATED AT REASONABLE INTERVALS AS DETERMINED BY THE

1 COMMISSION; THE IMPORTANCE OF STRIVING TO EQUITABLY DISTRIBUTE
2 THE BENEFITS OF COMPLIANCE, OPPORTUNITIES TO INCENTIVIZE
3 RENEWABLE ENERGY RESOURCES AND POLLUTION ABATEMENT
4 OPPORTUNITIES IN DISPROPORTIONATELY IMPACTED COMMUNITIES,
5 OPPORTUNITIES TO ENCOURAGE CLEAN ENERGY IN TRANSITIONING
6 COMMUNITIES; THE POTENTIAL TO ENHANCE THE RESILIENCE OF
7 COLORADO'S COMMUNITIES AND NATURAL RESOURCES TO CLIMATE
8 IMPACTS; AND WHETHER GREATER OR MORE COST-EFFECTIVE EMISSION
9 REDUCTIONS ARE AVAILABLE THROUGH PROGRAM DESIGN.

10 (VI) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
11 DIVISION, AT THE DIRECTION OF THE COMMISSION, SHALL REPORT TO THE
12 GENERAL ASSEMBLY EVERY ODD-NUMBERED YEAR AFTER THE EFFECTIVE
13 DATE OF THIS SUBSECTION (1)(e), PROVIDING A REPORT ON PROGRESS
14 TOWARD THE GOALS SET FORTH IN SECTION 25-7-102 (2)(g).

15 (VII) (A) IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS
16 SUBSECTION (1)(e), THE COMMISSION SHALL CONSULT WITH THE PUBLIC
17 UTILITIES COMMISSION.

18 (B) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND
19 DECLARES THAT IT IS BENEFICIAL TO ENCOURAGE THE DEVELOPMENT OF
20 CLEAN ENERGY PLANS THAT WILL REQUIRE GREENHOUSE GAS EMISSIONS
21 CAUSED BY COLORADO RETAIL ELECTRICITY SALES TO DECREASE EIGHTY
22 PERCENT BY 2030 RELATIVE TO 2005 LEVELS TO PROVIDE FOR THE
23 COST-EFFECTIVE AND PROACTIVE DEPLOYMENT OF CLEAN ENERGY
24 RESOURCES. ACTIONS TAKEN PURSUANT TO THIS SUBSECTION (1)(e) SHALL
25 BE PRESUMED TO BE IN THE PUBLIC INTEREST.

26 (C) IN DESIGNING, IMPLEMENTING, AND ENFORCING PROGRAMS
27 AND REQUIREMENTS UNDER THIS SUBSECTION (1)(e), THE COMMISSION

1 AND THE DIVISION SHALL TAKE INTO CONSIDERATION ANY CLEAN ENERGY
2 PLAN AT THE PUBLIC UTILITIES COMMISSION THAT, AS FILED, WILL ACHIEVE
3 AT LEAST AN EIGHTY-PERCENT REDUCTION IN GREENHOUSE GAS EMISSIONS
4 CAUSED BY THE UTILITY'S COLORADO RETAIL ELECTRICITY SALES BY 2030
5 RELATIVE TO 2005 LEVELS, AS VERIFIED BY THE DIVISION. WHEN
6 INCLUDING PUBLIC UTILITIES IN ITS PROGRAMS OR REQUIREMENTS UNDER
7 THIS SUBSECTION (1)(e), THE COMMISSION SHALL NOT MANDATE THAT A
8 PUBLIC UTILITY REDUCE GREENHOUSE GAS EMISSIONS CAUSED BY THE
9 UTILITY'S COLORADO RETAIL ELECTRICITY SALES BY 2030 MORE THAN IS
10 REQUIRED UNDER SUCH AN APPROVED CLEAN ENERGY PLAN OR IMPOSE
11 ANY DIRECT, NONADMINISTRATIVE COST ON THE PUBLIC UTILITY DIRECTLY
12 ASSOCIATED WITH QUANTITIES OF GREENHOUSE GAS EMISSIONS CAUSED
13 BY THE UTILITY'S COLORADO RETAIL ELECTRICITY SALES THAT REMAIN
14 AFTER THE REDUCTIONS REQUIRED BY SUCH A CLEAN ENERGY PLAN
15 THROUGH 2030 IF THOSE REDUCTIONS ARE ACHIEVED AND THE DIVISION
16 HAS VERIFIED THAT THE APPROVED CLEAN ENERGY PLAN WILL ACHIEVE AT
17 LEAST A SEVENTY-FIVE-PERCENT REDUCTION IN GREENHOUSE GAS
18 EMISSIONS CAUSED BY THE UTILITY'S COLORADO RETAIL ELECTRICITY
19 SALES BY 2030 RELATIVE TO 2005 LEVELS.

20 (D) IMPLEMENTING RULES DEVELOPED BY THE COMMISSION MUST
21 NOT INCLUDE ANY REQUIREMENTS DICTATING THE MIX OF ELECTRIC
22 GENERATING RESOURCES THAT ANY PUBLIC UTILITY SHALL USE TO MEET
23 APPLICABLE POLLUTION LIMITS.

24 (E) IMPLEMENTING RULES DEVELOPED BY THE COMMISSION MUST
25 CONSIDER ISSUES RELATING TO JOINT OWNERSHIP OF ELECTRIC
26 GENERATING RESOURCES AS BETWEEN MULTIPLE PARTIES AND THE EXTENT
27 TO WHICH THE PUBLIC UTILITY IS RELYING ON POWER PURCHASED FROM

1 THIRD PARTIES IN MEETING ITS OBLIGATIONS UNDER SUCH A CLEAN
2 ENERGY PLAN.

3 (VIII) NOTHING IN THIS SUBSECTION (1)(e) DIMINISHES THE
4 EXISTING AUTHORITY OF THE COMMISSION OR THE DIVISION. NOTHING
5 AUTHORIZED IN THIS SUBSECTION (1)(e), INCLUDING THE ASSIGNMENT OF
6 EMISSION REDUCTION OBLIGATIONS OR EMISSION AUTHORIZATIONS AND
7 EXCLUDING PROGRAM DEVELOPMENT AND ADMINISTRATIVE COSTS,
8 IMPLICATES STATE FISCAL YEAR SPENDING AS DEFINED IN SECTION
9 24-77-102. NOTHING IN THIS SUBSECTION (1)(e) DIMINISHES THE
10 AUTHORITY OF THE PUBLIC UTILITIES COMMISSION UNDER THE PUBLIC
11 UTILITIES LAW, INCLUDING SECTIONS 40-3-101 AND 40-3-102.

12 (IX) AS USED IN THIS SUBSECTION (1)(e):

13 (A) "COST-EFFECTIVE" OR "COST-EFFECTIVENESS" MEANS THE
14 COST PER UNIT OF REDUCED EMISSIONS OF GREENHOUSE GASES EXPRESSED
15 AS CARBON DIOXIDE EQUIVALENT.

16 (B) "GREENHOUSE GAS" INCLUDES CARBON DIOXIDE, METHANE,
17 NITROUS OXIDE, HYDROFLUOROCARBONS, PERFLUOROCARBONS, NITROGEN
18 TRIFLUORIDE, AND SULFUR HEXAFLUORIDE, EXPRESSED AS CARBON
19 DIOXIDE EQUIVALENT.

20 **SECTION 4. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.